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May 20, 2005

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Federal Communications Commission
Office of Secretary

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Ms. Marlene H. Dortch, Secretary
Federal Communications Commission
Office of the Secretary
236 Massachusetts Avenue, N.E., Suite 110
Washington, DC 20002

Re: Notice of Oral *Ex Parte* Presentation – Request for
Expedited Declaratory Ruling (MB Docket No. 04-75)

Dear Ms. Dortch:

On May 17, 2005, the undersigned, counsel to Max Media of Montana, LLC (“Max Media”), and Mr. Erwin Krasnow, counsel to Destiny Licenses, LLC (“Destiny”), had a telephone conversation with Mr. Robert H. Ratcliffe, Deputy Bureau Chief of the Media Bureau, regarding the Request for Expedited Declaratory Ruling filed on February 25, 2004 (Public Notice DA 04-747, March 19, 2004) in the above-referenced docket.

The representatives of Max Media and Destiny inquired whether any additional information from either Max Media or Destiny would be helpful to the FCC staff in bringing the matter to a decision. Mr. Ratcliffe inquired about whether Continental Television Network, Inc. (“Continental”), the former licensee of KTGF (prior to Max Media) had received any notification from NBC regarding deficiencies in the station’s performance as an NBC affiliate, or whether Continental had been informed by NBC of NBC’s intention not to renew the affiliation agreement at the expiration of its term in July, 2005. Counsel to Max Media responded by indicating his belief that Continental had not received any such notification or information from NBC prior to the sale of KTGF to Max Media, and offered to verify this with his client. Mr. Ratcliffe suggested that any evidence shedding light upon this issue would be of value to the Commission’s staff.

Accordingly, attached hereto is a Supplemental Declaration of A. Eugene Loving, the Chairman of Max Media, which provides additional information, both testimonial and documentary in nature. Of key importance is: (1) correspondence to/from Max Media’s counsel and Continental on

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Ms. Marlene H. Dortch
May 20, 2005
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June 21, 2001, attached as Exhibits D and E, respectively; and (2) the correspondence from Mr. Loving to Mr. Rogers, dated December 31, 2001, attached to the Supplemental Declaration as Exhibit F.

Pursuant to Section 1.1206(b) of the Commission's Rules, an original and one copy of this letter are being submitted to the Secretary's office. In addition, copies of this letter, the Supplemental Declaration, and the Exhibits thereto, have been served on Sunbelt's counsel, and other parties to this proceeding.

Respectfully submitted,

A handwritten signature in cursive script, reading "Julian L. Shepard".
Julian L. Shepard

cc: Robert H. Ratcliffe

SUPPLEMENTAL DECLARATION OF A. EUGENE LOVING

Under penalty of perjury I, A. Eugene Loving, hereby declare that:

1. I am the Chairman and Chief Executive Officer of Max Media LLC ("Max"), the parent company of Max Media of Montana LLC and Max Media of Montana II LLC. I have personal knowledge of the following facts, except where noted.
2. A subsidiary of Max executed an Asset Purchase Agreement for television station KTGF(TV), Great Falls, Montana ("KTGF"), with Continental Television Network ("Continental") on December 11, 2000 (copy attached hereto as Exhibit A).
3. In Section 2.6 of the APA, Continental represented and warranted that it was not in breach of any of the terms, conditions or provisions of any contract, including the NBC Network Affiliation Agreement dated April 5, 1996 ("Affiliation Agreement") (copy attached hereto as Exhibit B).
4. Prior to consummation of the purchase of KTGF, I, my business associates, and counsel to Max conducted a due diligence review of the business records of KTGF and the business relationships Max would acquire. During the conduct of this due diligence, among other things, I reviewed the station's records and documents for all information related to the Affiliation Agreement and the performance of KTGF as an NBC affiliate during Continental's ownership. There was no notice of default or other communication from NBC that would indicate any deficiency in performance by KTGF as an NBC network affiliate. Based on my review, I determined that KTGF's affiliation with the NBC Television Network ("NBC") was in good shape.

Declaration of A. Eugene Loving

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5. NBC consented to the assignment of the Affiliation Agreement from Continental to Max Media of Montana LLC (copy of executed consent letter attached hereto as Exhibit C). NBC did not communicate to me or my representatives, either in writing or orally, any dissatisfaction with KTGF's performance as an affiliate during Continental's ownership of KTGF. Nor did NBC give any indication in its letter of consent that it had concerns regarding KTGF's affiliation during Continental's ownership that NBC expected Max to address as the new owner.

6. After consummation of the sale, however, I learned of the April 28, 1999 letter from John Damiano, the Senior Vice President of NBC Television Network Affiliate Relations, to James C. Rogers ("Rogers"), the Chairman of Sunbelt (the "1999 Letter") which described an understanding between NBC and Rogers that would result in the termination of KTGF's NBC affiliation. I contacted Rogers directly about the arrangement described in the 1999 Letter. Rogers responded orally by claiming that Continental was aware of the agreement between NBC and Rogers prior to the sale of KTGF to Max.

7. On June 21, 2001, counsel to Max wrote a letter of inquiry to the President of Continental (copy attached hereto as Exhibit D). Specifically, he informed Continental that Max had been advised that Continental may have been aware of the 1999 Letter, and he inquired whether Continental had ever been told about the letter or seen any such letter, memorandum or document.

8. On June 21, 2001, Continental's Corporate Vice President responded with a letter by facsimile (copy attached hereto as Exhibit E), indicating that Continental's management was

not aware of any notification, whether written or oral, from NBC indicating it would not renew the NBC Affiliation Agreement for KTGF.

9. The letter I wrote to Rogers asking for any proof of Continental shareholder's knowledge of the agreement between Rogers and NBC has remained unanswered since I sent it, on December 31, 2001 (copy attached hereto as Exhibit F).

10. If Max had any reason to believe that Continental had any knowledge of the 1999 Letter prior to consummation of the sale, Max would have exercised its rights against Continental for breach of Section 2.6 of the APA.

11. Finally, John Damiano, author of the 1999 Letter, has told me that Continental knew nothing of the 1999 Letter or its underlying agreement.

12. In summary, I have no reason to believe that Continental was in default of any provision of the NBC network affiliation agreement, or that it received any notice from NBC of deficiencies in its performance as an affiliate.

I declare under penalty of perjury that the foregoing is true and correct. Executed on May 20, 2005.


A. Eugene Loving

EXHIBIT A

ASSET PURCHASE AGREEMENT

By and Between

JSB ACQUISITION CORP.

(the "Seller")

and

MAX MEDIA OF MONTANA LLC

(the "Buyer")

Dated as of December 11, 2000

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Exhibits

A	Earnest Money Escrow Agreement
B	Holdback Escrow Agreement
C	Assignment and Consent Agreement
D,E,F	Non-Competition Agreements
G	Opinion from Buyer's Counsel
H and I	Proposed Affiliation Agreements

ASSET PURCHASE AGREEMENT

This ASSET PURCHASE AGREEMENT (the "Agreement") is entered into as of December 11, 2000, by and between JSB ACQUISITION CORP., a Delaware corporation (the "Seller") and MAX MEDIA OF MONTANA LLC, a Virginia limited liability company (the "Buyer").

RECITALS

A. The Seller has entered into a Stock Purchase Agreement dated December 11, 2000 ("SPA") with James M. Colla, Penny L. Adkins and Cheryl A. Cordeiro (the "Shareholders") pursuant to which such persons will sell to the Seller 935 of the issued and outstanding shares of capital stock of Continental Television Network, Inc. ("CTN"), a Montana corporation ("Majority CTN Stock").

B. The Seller has entered into a Stock Purchase Agreement dated November , 2000 ("Donohue Agreement") with L.A. (Al) Donohue ("Donohue") pursuant to which Donohue will sell to the Seller 125 of the issued and outstanding shares of capital stock of CTN ("Donohue Stock", together with Majority CTN Stock, the "CTN Stock").

C. CTN owns all of the issued and outstanding shares of capital stock of CTN Missoula, Inc. and CTN Butte, Inc. (collectively, CTN, CTN Missoula, Inc. and CTN Butte, Inc. are referred to as the "CTN Group"). The CTN Group is the licensee of television broadcast stations KTMF-TV, licensed to Missoula, Montana, KTMF-LP, licensed to Kalispell, Montana, KTGF-TV, licensed to Great Falls, Montana, KWYB-TV, licensed to Butte, Montana, K47DP, licensed to Lewistown, Montana and KWYB-LP, licensed to Bozeman, Montana (collectively, the "Stations"). The CTN Group operates the Stations pursuant to certain licenses, franchises, authorizations and approvals, including associated broadcast auxiliary, cable antenna relay service and business radio authorizations (the "Authorizations") issued by the Federal Communications Commission ("FCC").

D. The Seller intends to close on its purchase of the CTN Stock and thereafter to sell the assets of the CTN Group.

E. The Seller desires to sell, assign and transfer and to cause the CTN Group to sell, assign and transfer to the Buyer the Stations, the Authorizations, and all of the assets used and useful in the operations of the Stations and described in more detail below, and the Buyer desires to purchase from the Seller and the CTN Group the Stations, the Authorizations and all of the assets used and useful in the operations of the Stations and described in more detail below, all under the terms and conditions described herein.

F. Buyer desires that Seller not liquidate any of the members of the CTN Group until after the closing under this Agreement and Seller intends to comply with Buyer's request.

G. To induce Buyer to enter into this Agreement, Seller hereby agrees to assign its rights to representations and warranties made by Shareholders to Seller under the SPA and to rights to indemnification and any existing indemnification claims under the SPA. Seller acknowledges that Buyer is relying, in part, on the representations and warranties made by the Shareholders to Seller under the SPA and Seller covenants that it will not take any action or fail to act in any manner, that would violate, nullify or breach any of Shareholders' representations or warranties under the SPA, nor take any action or fail to act in any manner, that would create a right of offset, counterclaim or defense to any of the indemnification rights of Seller under the SPA which are being assigned in connection herewith.

NOW, THEREFORE, in consideration of the premises and the mutual promises, representations, warranties and covenants herein contained, the parties agree as follows:

ARTICLE 1

PURCHASE AND SALE OF PROPERTIES AND ASSETS

1.1 Assets. The Seller agrees to sell or assign and to cause the CTN Group to sell or assign, and the Buyer agrees to purchase or assume, all properties and assets, real, personal and mixed, tangible and intangible, of every type and description, wherever located (except for the Excluded Assets, defined in Section 1.2) that are owned or leased by the members of the CTN Group, provided such properties and assets are owned or leased by the members of the CTN Group or the Seller before Closing, and used or held for use by the Stations, including, without limitation, the property and assets (except the Excluded Assets) which are acquired between the date hereof and the Closing and are used or useful in the operations of the Stations (collectively, the "Assets"). Without limiting the foregoing, the Assets shall include the following, except to the extent that any of the following are included within the Excluded Assets:

1.1.1 Tangible Personal Property. All equipment, electrical devices, antennae, cables, tower equipment, distribution systems, amplifiers, microwave equipment, converters, testing equipment, computers and computer equipment, furniture, fixtures, office materials and supplies, hardware, tools, spare parts, vehicles, towers, software, prize inventory and other tangible personal property owned or leased by the members of the CTN Group on the date hereof, including, without limitation the tangible personal property described on Schedule 1.1.1 attached, together with any additions, modifications, alterations or improvements between the date of this Agreement and the Closing Date (collectively, the "Tangible Personal Property").

1.1.2 Licenses and Authorizations. All rights in and to the Authorizations issued to the members of the CTN Group or Seller, or any Affiliate (defined below) of the CTN Group, including, without limitation, all rights in and to the call letters "KTMF-TV," "KTMF-LP", "KTGF-TV", "KWYB-TV" and "KWYB-LP", all of those Authorizations listed and described on Schedule 1.1.2 attached hereto, including without limitation, all amendments and all applications

therefor, together with any renewals, extensions or modifications thereof and additions thereto and all public inspection files and other required records of the members of the CTN Group and the Seller required by the FCC.

1.1.3 Real Property. All real property and any interests therein, including, without limitation, land, easements, air rights, rights of way and fee ownership, buildings, towers, guy wires, anchors, structures, fixtures and improvements owned by the members of the CTN Group (the "Owned Real Property") listed and described on Schedule 1.1.3 and the CTN Group's interests in the leases, licenses, leased rights of way and other interests of every kind and description (the "Leased Real Property") in and to all of the real property, towers, buildings and improvements thereon, held by the members of the CTN Group as of the date hereof, including, without limitation, those listed and described on Schedule 1.1.3 attached hereto, and any additions, improvements and alterations thereto made between the date of this Agreement and the Closing Date (the Owned Real Property and the Leased Real Property, collectively, the "Real Property").

1.1.4 Program License Agreements. All program license agreements and rights to broadcast programs and films, whether for cash or barter (the "Program License Agreements"), held by the members of the CTN Group as of the date hereof, including, without limitation, those listed on Schedule 1.1.4, together with all Program License Agreements that have been or will have been entered into in the ordinary course of business of the Stations between the date of this Agreement and the Closing Date, except those entered into after the execution of this Agreement which the Buyer elects not to assume pursuant to Section 5.4; provided, however, the Buyer is under no obligation to assume any liability under any Program License Agreement existing as of the date of this Agreement that is not listed and described on Schedule 1.1.4.

1.1.5 Agreements for Sale of Time. All orders and agreements now existing, or entered into in the ordinary course of business between the date hereof and the Closing Date for the sale of advertising time on the Stations (including Trade Accounts to the extent provided in Section 1.3.3 below), except those which on the Closing Date have already been filled or have expired.

1.1.6 Other Contracts. All Contracts (as defined below) in connection with the business and operations of the Stations, together with all Contracts that have been or will have been entered into in the ordinary course of business of the Stations between the date of this Agreement and the Closing Date, except those entered into after the execution of this Agreement which Buyer elects not to assume pursuant to Section 5.4; provided, however, the Buyer is under no obligation to assume any liability under any Contract existing as of the date of this Agreement which is not listed and described on Schedules 1.1.4, 1.1.6, or 1.1.9 (collectively, the "Contract Schedules") or described in Section 1.1.5 or which Buyer elects not to assume pursuant to Section 5.4, except Buyer shall assume all Contracts (other than Program License Agreements as provided in Section 1.1.4) not listed on Schedules 1.1.6 or 1.1.9 or described in Section 1.1.5 that provide for payments of not more than \$2,500; provided, that the aggregate amount Buyer will assume under all such Contracts which are not accepted pursuant to Section 5.4 hereof, shall not exceed \$20,000. As

used in this Agreement, the term "Contract" shall mean any unexpired agreement, arrangement, commitment or understanding, written or oral, express or implied, relating to the operations of the Stations, to which the members of the CTN Group are a party or are bound, including, without limitation, orders and agreements for the sale of advertising, leases for Leased Real Property and Tangible Personal Property, Program License Agreements and Affiliation Agreements.

1.1.7 Intangible Property. All trademarks, trade names, call letters, service marks, franchises, patents, jingles, slogans, logotypes and other intangible rights owned or licensed and used or held for use by the members of the CTN Group as of the date of this Agreement, including, without limitation, all of those listed and described on attached Schedule 1.1.7, and those acquired by the members of the CTN Group or the Seller relating to the Stations between the date hereof and the Closing Date (collectively, the "Intangible Property").

1.1.8 Programming and Copyrights. All programs and programming materials and elements of whatever form or nature which have been created or produced by the members of the CTN Group as of the date of this Agreement, whether recorded on tape or any other substance or intended for live performance, and whether completed or in production, and all related common law and statutory copyrights owned by or licensed or sublicensed to the members of the CTN Group, together with all such programs, materials, elements and copyrights acquired by the members of the CTN Group or the Seller between the date hereof and the Closing Date.

1.1.9 Network Affiliation Agreements. Any and all of the Stations' network affiliation agreements, including, but not limited to, the primary and satellite affiliation agreements with the American Broadcasting Company, Inc. ("ABC") and the National Broadcasting Company, Inc. ("NBC") (collectively, the "Affiliation Agreements"), true copies of which with all amendments are attached to Schedule 1.1.9.

1.1.10 Files and Records. The SPA and all documents relating to the SPA, including a duplicate set of originals and all files and other records of the members of the CTN Group or the Seller relating to the Stations (other than duplicate copies of such files, hereinafter "Duplicate Records" and the Corporate Records (defined below)) including, without limitation, all books, files, correspondence, studies, reports, projections, schematics, blueprints, engineering data, customer lists, reports, specifications, signal and program carriage, projections, statistics, creative materials, mats, plates, negatives and other advertising, marketing or related materials, dealings with governmental authorities (including all reports filed by or on behalf of the CTN Group or the Seller with the FCC and statements of account filed by or on behalf of the CTN Group or the Seller with the U. S. Copyright Office) and all other business, technical and financial information regardless of the media on which stored.

1.1.11 Claims. Any and all of the CTN Group's claims and rights against third parties relating to the Stations, including, without limitation, all rights under manufacturers' and vendors' warranties, and all deposits, refunds, rights to recovery and rights of setoff and recoupment, and all claims of the Seller under the SPA as provided in Section 9.8 below (collectively, the "Claims").

1.1.12 Prepaid Items. All prepaid expenses and prepaid ad valorem taxes (which shall be prorated, if applicable, as provided in Section 1.6) and rent, utility and other deposits held by third parties.

1.1.13 Goodwill. All of the CTN Group's and the Seller's goodwill in, and going concern value of, the Stations.

1.1.14 Franchises, Permits. All franchises, approvals, licenses, orders, registrations, certificates, variances and similar rights obtained from governments and governmental agencies.

1.1.15 Rights to Holdback Escrow. Seller's rights, title and interest, except with respect to the ownership of the CTN Stock, on a non-exclusive basis, in that certain indemnification escrow agreement between Sellers, Shareholders and U.S. Bank Trust National Association MT in the form of attached Exhibit B ("Holdback Escrow Agreement") which will be executed at the Closing under the SPA and assigned to Buyer pursuant to the Assignment and Consent (defined below).

1.1.16 Indemnification Rights. All of Seller's rights, title, and interest with respect to the representations and warranties made by the Shareholders under the SPA and to its right to make and pursue claims for indemnification against Shareholders under Article X of the SPA (the "Indemnification Rights"), which rights will be assigned to Buyer and which assignment will be consented to by Shareholders pursuant to that certain assignment and consent agreement dated as of the Closing Date, attached hereto as Exhibit C ("Assignment and Consent").

1.1.17 Noncompetition Agreements. All of Seller's and the CTN Group's right, title and interest in the Noncompetition, Nonsolicitation and Confidentiality Agreements between the Shareholders, the CTN Group and Seller in the form of Exhibits D, E and F attached (the "Noncompetition Agreements").

1.2 Excluded Assets. The following assets of the CTN Group, to the extent in existence on the Closing Date (collectively, the "Excluded Assets"), shall be retained by the CTN Group:

1.2.1 Insurance. All contracts of life insurance on the life of the Shareholders, including any cash surrender value or prepaid premiums with respect thereto; provided, however, the Seller shall remain liable for any loans against any such insurance policies, and any premiums due thereon.

1.2.2 Certain Assets. Pension, 401(k), profit sharing and savings plans and trusts and any assets thereof.

1.2.3 Records. All Duplicate Records and original records relating to the accounts receivable of the members of the CTN Group or the Seller.

1.2.4 Corporate Records. The minute books, stock books or registers, shareholder lists and similar corporate records of the Seller or the members of the CTN Group (the "Corporate Records").

1.2.5 Employee Personal Property. Any personal property which is listed on Schedule 1.2.5 and located at the offices of the members of the CTN Group but owned by any employee of the Seller or the CTN Group.

1.2.6 Cash and Investments. All of the members of the CTN Group's cash on hand or in bank accounts and any other cash equivalents including, without limitation, certificates of deposit, commercial paper, treasury bills, or money market accounts.

1.2.7 Accounts Receivable and Deposits. Except as provided otherwise in Section 9.8, all receivables or deposits of the members of the CTN Group due under the SPA (the "SPA Receivables and Deposits") and other accounts and notes receivable of the CTN Group (the "Receivables").

1.3 Liabilities.

1.3.1 Security Interests. The Assets shall be sold and conveyed to the Buyer free and clear of all mortgages, liens, deeds of trust, security interests, pledges, restrictions, prior assignments, charges, claims, defects in title and encumbrances of any kind or type whatsoever (collectively, the "Security Interests") except for: (a) the Security Interests disclosed on Schedule 1.3.1, all of which will be paid in full and released at or before Closing; (b) liens for taxes, other than state, federal or local income taxes and other taxes of the CTN Group that do not relate to the Assets, not yet due and payable, accruing before the Effective Time, which the Seller shall pay in full, (c) the obligations of the CTN Group arising after Effective Time which the Buyer has agreed to assume under the Contracts as described in Section 1.3.2, including, without limitation, the Program License Agreements described on Schedules 1.14 and the Affiliation Agreements described on Schedule 1.1.9. The Security Interests referred to in the foregoing clauses (a)-(c) are collectively referred to herein as "Permitted Encumbrances."

1.3.2 Assumed Liabilities. Except as otherwise provided herein and subject to the terms and conditions of this Agreement, simultaneously with the sale, transfer, conveyance and assignment to the Buyer of the Assets, the Buyer shall assume, and hereby agrees to perform and discharge when due all liabilities and obligations arising or to be performed after the Closing under the Contracts that are effectively assigned and transferred to the Buyer, including any Contracts the benefits and burdens of which are assigned to the Buyer under Section 10.6 (collectively the "Assumed Liabilities").

1.3.3 Excluded Liabilities. The Buyer shall not assume or be liable for, and does not undertake or attempt to assume or discharge:

1.3.3.1 any liability or obligation of any member of the CTN Group or the Seller arising out of any contract not assumed by the Buyer under Sections 1.3.2, 2.5 or 5.4 and any liability existing under Contracts before the Effective Time;

1.3.3.2 any liability or obligation of any member of the CTN Group or the Seller arising out of or relating to any pension, 401(k), employee benefit, retirement or profit sharing plan or trust, or any liability for vacation and sick days or pay of any employee of the CTN Group or the Seller;

1.3.3.3 any compensation accrued at or before the Effective Time or any severance pay or similar obligations to any employee or independent contractor of the CTN Group or the Seller; any payroll tax or other liability relating to any employee or independent contractor of the Seller or the CTN Group; and

1.3.3.4 any liability or obligation of any member of the CTN Group or the Seller arising out of or relating to any litigation, proceeding or claim by any person or entity relating to any members of the CTN Group, the Seller, the Stations or the Assets before the Effective Time, whether such litigation, proceeding or claim is pending, threatened or asserted before, on or after the Effective Time; and

1.3.3.5 any and all other liabilities, obligations, debts or commitments of any member of the CTN Group or the Seller whatsoever, whether accrued now or hereafter, whether fixed or contingent, whether known or unknown, or any claims asserted against any member of the CTN Group, the Seller, any employee of the CTN Group, the Seller, the Stations or any of the Assets or other items owned by the CTN Group or the Seller at the Effective Time relating to any event (whether act or omission) before the Effective Time, including, without limitation, the payment of all taxes, including, without limitation, any taxes due upon the sale of the Assets by the members of the CTN Group, and any other corporate income, franchise, sales, use, business and occupation taxes.

1.3.4 Retained Obligations of the Seller. The Seller shall cause the members of the CTN Group to retain and shall cause them to pay, satisfy, discharge, perform and fulfill all such obligations and liabilities not expressly assumed by Buyer hereunder, including, without limitation those described in Section 1.3.3 above (the "Excluded Liabilities"), as they become due, without any charge or cost to the Buyer. The Seller agrees to indemnify and hold the Buyer and its successors and assigns harmless from and against any and all such liabilities in accordance with the terms of Article 9 below.

1.3.5 Trade Accounts. The CTN Group's trade and barter accounts, trade contracts and trade commitments receivable and payable (the "Trade Accounts") are listed in detail on Schedule 1.3.5 attached hereto, which lists the CTN Group's gross dollar obligations to provide airtime by advertiser and the gross airtime assets available to the CTN Group as of the month ending two months before Closing. The Seller will cause the members of the CTN Group to transfer all Trade Accounts to the Buyer at the Closing and the Buyer shall assume the Trade

Accounts; provided, however, if the aggregate airtime liability of the Trade Accounts to be assumed by the Buyer at the Closing exceeds the value of goods and services to be received by the Stations as of Closing ("Value of Trades") all as determined in accordance with generally accepted accounting principles ("GAAP"), then the Buyer is required to assume only Trade Accounts, as determined by the Buyer in its sole discretion, up to the Value of Trades and the members of the CTN Group shall be liable for any excess Trade Accounts; provided, further, all such Trade Accounts assumed by the Buyer shall be subject to preemption for cash advertising.

1.4 Earnest Money Escrow Agreement and Deposit. On execution of this Agreement, Buyer shall deliver to Key Bank (the "Escrow Agent") the sum of Nine Hundred Thousand Dollars (\$900,000) in cash (the "Earnest Money Escrow Deposit"). The Earnest Money Escrow Deposit shall be held by the Escrow Agent in accordance with the terms of an earnest money escrow agreement dated the date of this Agreement in the form of attached Exhibit A (the "Earnest Money Escrow Agreement"). At the Closing (as defined below), the Earnest Money Escrow Deposit will be delivered to Seller and shall be credited dollar-for-dollar to the Purchase Price (as defined below). Any and all accrued interest relating to the Earnest Money Escrow Deposit shall be paid to the Buyer. If the Closing does not take place in accordance with the terms of this Agreement, then the Earnest Money Escrow Deposit will be delivered to the Seller or the Buyer in accordance with the terms and conditions set forth in Section 10.1 hereof.

1.5 Purchase Price, Payment, and Allocation.

1.5.1 Purchase Price. The aggregate purchase price to be paid for the Assets will be Sixteen Million Two Hundred Seventy-five Thousand Dollars (\$16,275,000) (the "Purchase Price").

1.5.2 Method of Payment. The Earnest Money Escrow Agreement shall be terminated and the Earnest Money Escrow Deposit of \$900,000 ("Escrow Deposit") shall be paid to Seller. The balance of the Purchase Price (plus or minus any adjustments provided herein, including, without limitation, those described in Sections 1.6 and 10.10) shall be paid by the Buyer at Closing by wire transfer pursuant to the instructions of the Seller, which instructions shall be delivered to the Buyer at least two (2) days before the Closing.

1.5.3 Allocation of Purchase Price. The Buyer and the Seller will allocate the Purchase Price in accordance with the respective fair market values of the Assets being purchased and sold in accordance with the requirements of Section 1060 of the Internal Revenue Code of 1986, as amended ("Code") and in the manner described in Schedule 1.5.3.

1.6 Adjustments.

1.6.1 General Rule. The operation of the Stations and the income and normal operating expenses attributable thereto through 12:02 a.m. (Mountain Standard Time) on the Closing Date (the "Effective Time") shall be for the account of the members of the CTN Group and thereafter for the account of the Buyer and, if any income or expense is properly allocable or

credited, then it shall be allocated, charged or prorated accordingly. Expenses for goods or services received both before and after the Effective Time, power and utilities charges, frequency discounts, insurance premiums for any insurance policies being assigned to the Buyer, prepaid cash, time sales agreements, commissions, wages, vacation or sick days, payroll taxes and rents and similar prepaid and deferred items (including, without limitation, accruals and deferrals under Contracts, Program License Agreements and Affiliation Agreements) shall be prorated between the members of the CTN Group and the Buyer as of the Effective Time. All special assessments and similar charges or liens imposed against any of the Assets in respect of any period of time up to the Effective Time, whether payable in installments or otherwise, shall be the responsibility of the members of the CTN Group and the Seller and amounts payable with respect to such special assessments, charges or liens in respect of any period of time after the Effective Time shall be the responsibility of the Buyer and such charges shall be adjusted as required hereunder.

1.6.2 Adjustment Schedule. The Buyer will prepare and deliver to the Seller within sixty (60) days after Closing a report computing the details of the determination in accordance with the provisions of Section 1.6.1. Within thirty (30) days after receiving the report, the Seller will provide the Buyer with any objections to the computations. If the Seller has no objections, the party obligated to make payment under the report will do so within five (5) days after the expiration of the 30-day period. Any disagreement which cannot be resolved by the parties will be resolved by the Seller and the Buyer each selecting a certified public accountant knowledgeable in the broadcast industry to resolve the dispute. If these two accountants cannot resolve the dispute within thirty (30) days after submission to them, then the two accountants shall select a third certified public accountant knowledgeable in the broadcast industry and the agreement of two of the three accountants shall be binding on the parties and subject to judicial enforcement. Each party shall bear the costs of its own accountant and one-half (1/2) of the cost of the third accountant. Within five (5) business days following the accountants' resolution, any sums required to be paid by either party shall be paid in accordance with such resolution.

1.7 Closing. The consummation of the transactions provided for in this Agreement (the "Closing") shall take place at (a) the offices of Williams, Mullen, Clark & Dobbins, P.C., One Columbus Center, Virginia Beach, Virginia, at 11:00 a.m. on the date which is mutually set by the Seller and the Buyer and occurs within five (5) days after the later to occur of the dates on which (i) the order of the FCC (the "FCC Order") consenting to the assignment of all of the Authorizations to Buyer becomes Final (as defined below) and (ii) the conditions, other than Sections 6.4 and 7.9, set forth in Articles 6 and 7 have been satisfied, or (b) if the Buyer waives the finality of the FCC Order, such other place, time or date as the parties may agree on in writing, within five (5) days after the later of the Buyer's waiver or the consent of the FCC to the assignment of the Authorizations. The date on which the Closing is to occur is referred to herein as the "Closing Date." As used in this Agreement, "Final" means an order of a governmental authority, or the failure of a governmental authority to act when required by law to prevent a proposed action, which creates rights (i) which are effective, (ii) with respect to which no appeal, request for stay, request for reconsideration or other request for review is pending, (iii) with respect to which the

time for appeal, requesting a stay, requesting reconsideration or requesting other review has expired, and (iv) which cannot be set aside *sua sponte*.

ARTICLE 2

REPRESENTATIONS AND WARRANTIES OF THE SELLER

The Seller represents and warrants to the Buyer to the matters set forth below, except as set forth on the Schedules attached hereto.

2.1 Corporate Status. The Seller is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware, and is duly qualified to transact business in every state in which the failure to be so qualified would have a material adverse effect on the Stations or the Assets. The Seller has the requisite corporate power to carry on its business as it is now being conducted and to own and operate the Stations, and the Seller has the requisite power (corporate and other) to enter into and the Seller and the members of the CTN Group have the requisite power (corporate and other) to complete the transactions contemplated by this Agreement. Attached as Schedule 2.1 are the Articles of Incorporation and Bylaws and all amendments thereto of the Seller.

2.2 No Options. Except for the SPA, no Affiliate of the Seller or any member of the CTN Group or any other person (as defined in Section 11.8) has an interest in, or option granted by the Seller to acquire, any of the Assets or any property used in the operation of the Stations. For purposes of this Agreement, an "Affiliate" of any person means (a) any person that owns or controls, is owned or controlled by, or under common control with, such person, (b) any person that is an officer, director, member, general partner or trustee of, or serves in a similar capacity with the specified person, or for which the specified person is an officer, director, member, general partner or trustee, or serves in a similar capacity or (c) any member of the immediate family of the specified person.

2.3 Corporate Action. All corporate and other actions and proceedings necessary to be taken by or on the part of the Seller in connection with the performance, execution and delivery of this Agreement have been duly and validly taken and this Agreement has been duly and validly authorized, executed, and delivered by the Seller and the members of the CTN Group and constitutes the legal, valid and binding obligation of the Seller and the members of the CTN Group enforceable against each in accordance with and subject to its terms.

2.4 No Defaults. Neither the execution, delivery and performance by the Seller and the members of the CTN Group of this Agreement nor the consummation by the Seller of the transactions contemplated hereby is an event that, of itself or with the giving of notice or the passage of time or both, will: (a) violate or conflict with any provision of the Articles of Incorporation or Bylaws of the Seller or any member of the CTN Group; (b) assuming that the consents: (i) referred to in Section 4.6, (ii) required in connection with any assignment to the Buyer

of the Contracts or (iii) otherwise contemplated by this Agreement are obtained, constitute a violation of, conflict with or result in any breach of or any default under, result in any termination or modification of, or cause any acceleration of any obligation of the Seller or any member of the CTN Group under any contract, mortgage, indenture, agreement, lease or other instrument to which the Seller or any member of the CTN Group is a party or by which any or all are bound or result in the creation of any Security Interest on the Assets which violation, conflict, breach or default would have a material adverse effect on the Seller, the CTN Group, the Stations, the Assets or the ability of the Seller to enter into this Agreement or consummate the transactions contemplated hereby; (c) violate any judgment, decree, order, statute, law, rule or regulation of any court, arbitrator or government or regulatory body applicable to the Seller, the Stations or the Assets which violation would have a material adverse effect on the Seller, the CTN Group, the Stations, the Assets or the ability of the Seller to enter into this Agreement or consummate the transactions contemplated hereby; or (d) result in the creation or imposition of any lien, charge or encumbrance against the Stations or the Assets.

2.5 Contracts, Leases, Agreements and Other Commitments. No material change in any term or provision of any Contract will occur as a result of the acquisition of the Assets by the Buyer or the assignment by any member of the CTN Group or the Seller, of such Contract to the Buyer.

2.6 Breach. Except as set forth on Schedule 2.6, the Seller is not in violation or breach of any of the terms, conditions or provisions of its Articles of Incorporation or Bylaws, or any Contract, indenture, mortgage or deed of trust or other instrument, court order, judgment, arbitration award or decree relating to or affecting the Stations or the Assets to which the Seller is a party or by which it is bound. To Seller's knowledge, no other party thereto is in material default or breach under any of the Contracts.

2.7 Taxes.

All federal, state and local returns, reports, estimates and other statements ("Returns") required to have been filed with any jurisdiction with respect to the Seller with respect to any income, franchise, property, sales, value-added, payroll, withholding, excise, assessment, levy, capital and all other taxes, duties, penalties, assessments or deficiencies of every nature and description (collectively, "Taxes") have been duly and timely filed by the Seller and, except as set forth in Schedule 2.7, each such Return correctly reflects the amount of Taxes required to be reported and/or paid. The Seller has paid all taxes due and payable which it is required to pay, before the date hereof. There are no Taxes which are past due. No consent extending the applicable statute of limitations has been filed by or with respect to Seller with respect to any of such Taxes for any years.

2.8 Licenses. As of the Closing Date, the members of the CTN Group are the holders of all licenses, permits or authorizations of any governmental or quasi-governmental authority required for the operation of the Stations.

2.9 Additional Regulatory Matters.

2.9.1 Reports. All reports and filings required to be filed with the FCC and any other agency of the Federal, State or local government ("Government Agency") by any member of the CTN Group or the Seller have been timely filed. All such reports and filings are accurate and complete in all material respects, and from the date hereof to the Effective Time will be filed on a timely basis.

2.9.2 No Notices. The Seller is not aware of any facts and has not received notice or other communication indicating that it is not in compliance with all requirements of (i) the FCC or the Communications Act or (ii) applicable state and local statutes, regulations and ordinances. The Seller is not aware of any facts and has not received any notice or communication, formal or informal, indicating that the FCC, or any other Government Agency is considering revoking, suspending, modifying, canceling, rescinding or terminating any Authorization.

2.10 Owned Real Property. Schedule 1.1.3 contains a complete and accurate list, as of the date thereof, of all Owned Real Property used in the operation of the Stations and the conduct of the CTN Group's businesses. All of the Owned Real Property, and the improvements located on the Owned Real Property, are in good operating condition and repair, have been maintained in accordance with industry standards and are adequate for their intended use. There are no condemnation or eminent domain proceedings pending or threatened against the Owned Real Property, and no member of the CTN Group has received any notice of any condemnation or eminent domain proceedings against the Owned Real Property. The CTN Group has good, marketable and insurable fee simple title to the Owned Real Property, free and clear of all liens, claims, charges, options, rights of tenants or other encumbrances of any nature whatsoever except for: (i) current real estate taxes not yet due and payable; (ii) easements, rights-of-way, zoning restrictions and other restrictions or encumbrances that do not adversely affect such property, its present use or its marketability; (iii) the liens listed in Schedule 2.10 which secure the indebtedness of the members of the CTN Group to third parties which shall be paid in full and satisfied at or before Closing; and (iv) such other matters as the Buyer may approve in writing ("Permitted Title Exceptions").

2.11 Approvals and Consents. The only material approvals or consents of persons or entities not a party to this Agreement that are legally or contractually required to be obtained by Seller or the members of the CTN Group in connection with the consummation of the transactions contemplated by this Agreement are those which are contemplated by Section 4.6 ("Consents"). Any approvals under the Contracts or with any governmental division, regulatory authority or agency are material for purposes of this Section. There is no required pre-Closing filing by the parties under the Hart-Scott-Rodino Antitrust Improvements Act of 1978 ("HSR") because of the size of the members of the CTN Group and its ultimate parent as defined in the HSR. No permit, license, consent, approval or authorization of, or filing with, any governmental regulatory authority or agency is required of the Seller in connection with the execution, delivery and performance of this Agreement or the consummation of the transactions contemplated hereby.

2.12 Condition of Assets.

2.12.1 All Assets. The Assets constitute all of the assets used, useful, or necessary to conduct the present operations of the Stations.

2.12.2 Tangible Personal Property. Schedule 1.1.1 contains a true and complete list as of the date hereof of all items of Tangible Personal Property of every kind or description owned by the CTN Group, except office materials and supplies (which office supplies or any replacements thereof shall be part of the Assets). Any Tangible Personal Property that is leased by the CTN Group as of the date hereof, whether as lessor or lessee, is separately designated on Schedule 1.1.1 and all related lease agreements are described on Schedule 1.1.1-3.

2.12.3 Good Title. Except as listed and described on Schedule 2.12.3: (a) the members of the CTN Group have good, valid and marketable title to or the unrestricted right to use all of the Assets owned, leased or licensed by it, in each case, free and clear of all Security Interests of every kind or character (other than Permitted Encumbrances); (b) the members of the CTN Group will be the owners, lessees or licensees of all of the Tangible Personal Property listed on the Schedules to this Agreement and of all Tangible Personal Property not listed on the Schedules to this Agreement which is material to the operation of the Stations; and (c) all Tangible Personal Property, including equipment and electrical devices, is in good operating condition and repair, reasonable wear and tear excepted, and has been maintained in accordance with industry standards.

2.13 Compliance with Law and Regulations. The members of the CTN Group and Seller have properly filed all reports and other documents required to be filed with any federal, state or local government or subdivision or agency thereof. Neither Seller nor any member of the CTN Group has received any notice from any federal, state or municipal authority or any insurance or inspection body that any of its properties, facilities, equipment or business procedures or practices fails to comply with any applicable law, ordinance, regulation, building or zoning law or requirement of any public authority or body.

2.14 Litigation. Except as set forth on Schedule 2.14 and for proceedings which involve or affect the broadcast industry generally, there are no suits, arbitrations, administrative charges or other legal proceedings, claims or governmental investigations pending against Seller. To Seller's knowledge, except as set forth on Schedule 2.14 and for proceedings which involve or affect the broadcast industry generally, there are no suits, arbitrations, administrative charges or other legal proceedings, claims or governmental investigations threatened against the CTN Group or Seller with respect to the Stations, or Assets, nor to the knowledge of Seller, is there any basis for any such suit, arbitration, administrative charge or other legal proceedings, claim or governmental investigation which would have a material adverse effect on the condition of the Stations or any of the Assets or on the ability of the members of the CTN Group to enter into this Agreement or consummate the transactions contemplated hereby.

2.15 Bulk Sales. Neither the sale and transfer of the Assets pursuant to this Agreement, nor Buyer's possession and use thereof from and after the Closing because of such sale and transfer, will be subject to: (a) any law pertaining to bulk sales or transfers or to the effectiveness of bulk sales or transfers as against creditors of the members of the CTN Group; or (b) the imposition of any liability on Buyer for appraisal rights or other liability owing to any shareholder of members of the CTN Group.

2.16 Brokers. Except for fees owed to Patrick Communications, there is no broker or finder or other person who would have any valid claim through the Seller or the members of the CTN Group against any of the parties to this Agreement for a commission or brokerage fee or payment in connection with this Agreement or the transactions contemplated hereby as a result of any agreement of, or action taken by, the Seller, or the members of the CTN Group.

2.17 Matters Arising After the Settlement Under the SPA.

2.17.1 No Changes. Between the closing under the SPA and the Closing Date :

2.17.1.1 There has not been any material adverse change in the financial condition or business of the members of the CTN Group, uncured default by the members of the CTN Group under the terms of the leases for the Leased Real Property or any material physical damage or loss to any of the Assets (except where such damage or loss was covered by insurance and repair or replacement of the damaged or lost assets has been completed);

2.17.1.2 Except for the SPA, no member of the CTN Group has taken any action outside of the ordinary and usual course of business, except as related to the transactions contemplated hereby;

2.17.1.3 The members of the CTN Group have maintained their books, accounts and records in the usual, customary and ordinary manner; and

2.17.1.4 The members of the CTN Group have preserved their business organizations intact and have used their best efforts to keep available the services of their employees and to preserve relationships with their customers, advertisers, NBC, ABC, suppliers and others with whom they deal.

2.18 Disclosure. No material provision of this Agreement relating to Seller, or any other document, Schedule, Exhibit or other information furnished by the Seller to the Buyer in connection with the execution, delivery and performance of this Agreement, or the consummation of the transactions contemplated hereby, contains or will contain any untrue statement of a material fact or omits or will omit to state a material fact required to be stated to make the statement, in light of the circumstances in which it is made, not materially misleading.

2.19 Shareholders' Representations and Warranties Under the SPA. Seller hereby affirms to Buyer that the representations and warranties made to Seller by the Shareholders under Article IV of the SPA are, to its knowledge, true, complete and correct in all respects and that it has not, either through its action or failure to act, violated, nullified or breached any of Shareholders' representations and warranties under Article IV of the SPA. In addition, Seller has neither waived any of its rights to indemnification under Article X of the SPA or taken any action, or failed to act in a manner, that would create a right of offset, counterclaim or defense by Shareholders against any indemnification claims of Seller or Buyer or estop Seller or Buyer from asserting any such claims.

ARTICLE 3

REPRESENTATIONS AND WARRANTIES OF THE BUYER

Buyer represents and warrants to Seller as follows:

3.1 Qualification as a Broadcast Licensee. The Buyer is familiar with the Communications Act and the existing rules, regulations and policies of the FCC. To the Buyer's knowledge after due inquiry, the Buyer is legally and financially qualified under the Communications Act and the rules, regulations and policies of the FCC to acquire the Stations from the Seller. There is no fact or condition known to the Buyer that would, under the Communications Act and the existing rules, regulations and policies of the FCC, disqualify Buyer as owner and operator of the Stations or constitute grounds for the filing of a petition to deny or objection related to the qualifications of the Buyer or that would reasonably be expected to result in a delay for FCC approval of the assignment applications. To the Buyer's knowledge after due inquiry, no waiver of any FCC rule, regulation or policy existing as of the date of this Agreement will be required, with respect to the Buyer, to obtain FCC approval of the assignment applications.

3.2 Status.

3.2.1 Buyer. The Buyer is a limited liability company duly organized, in good standing and validly existing under the laws of the Commonwealth of Virginia. The Buyer is (or will be at the Closing) duly authorized to transact business in the State of Montana. The Buyer has the requisite power and authority to conduct its business as presently conducted, to own and lease its assets and to enter into and complete the transactions contemplated by this Agreement.

3.2.2 Approvals and Consents. There is no required pre-Closing filing by the parties under the HSR because of the size of the Buyer and its ultimate parent as defined in the HSR. There are no approvals or consents of persons or entities not a party to this Agreement that are legally or contractually required to be obtained by the Buyer in connection with the consummation of the transactions contemplated by this Agreement.

3.3 No Defaults. Neither the execution, delivery and performance by the Buyer of this Agreement nor the consummation by the Buyer of the transactions contemplated hereby is an

event that, of itself or with the giving of notice or the passage of time or both, will: (a) violate or conflict with any provision of the Articles of Organization or Operating Agreement of the Buyer, (b) constitute a violation of, conflict with or result in any breach of or any default under, result in any termination or modification of, or cause any acceleration of any obligation under any contract, mortgage, indenture, agreement, lease or other instrument to which the Buyer is a party or by which it is bound or the assets of it are bound, or by which it may be affected, or result in the creation of any Security Interest on any of the assets of the Buyer, or (c) violate any judgment, decree, order, statute, law, rule or regulation of any court, arbitrator or government or regulatory body applicable to the Buyer or the assets of the Buyer.

3.4 Entity Action. All actions and proceedings necessary to be taken by or on the part of the Buyer or its members, if required by applicable law, in connection with the performance, execution and delivery of this Agreement have been duly and validly taken, and this Agreement has been duly and validly authorized, executed and delivered by the Buyer and constitutes the legal, valid and binding obligation of the Buyer, enforceable against the Buyer in accordance with and subject to its terms.

3.5 Brokers. There is no broker or finder or other person who would have any valid claim through the Buyer against any of the parties to this Agreement for a commission or brokerage fee or payment in connection with this Agreement or the transactions contemplated hereby as a result of any agreement of or action taken by the Buyer.

3.6 Litigation. There are no suits, arbitrations, administrative charges or other legal proceedings, claims or governmental investigations of any nature pending or, to the knowledge of the Buyer, threatened against or affecting it that would affect its ability to enter into this Agreement or carry out the transactions contemplated by this Agreement, nor to the knowledge of the Buyer, is there any basis for any such suit, arbitration, administrative charge, or other legal proceeding, claim or governmental investigation.

3.7 Compliance with Laws. The Buyer is not in violation of any federal, state or local law, ordinance, requirement, regulation or any judgment, order, injunction or decree, which violation would, in the aggregate with other such violations, have a material adverse effect on the ability of the Buyer to enter into this Agreement or to consummate the transactions contemplated hereby.

3.8 Full Disclosure. No material provision of this Agreement relating to the Buyer or any other document, Schedule, Exhibit or other information furnished by the Buyer to the Seller in connection with the execution, delivery and performance of this Agreement, or the consummation of the transactions contemplated hereby, contains or will contain any untrue statement of a material fact or omits or will omit to state a material fact required to be stated to make the statement, in light of the circumstances in which it is made, not materially misleading.

ARTICLE 4

COVENANTS OF THE SELLER PENDING THE CLOSING

The Seller covenants and agrees that, from the date hereof until the completion of the Closing:

4.1 Operations of the Business.

4.1.1 Best Efforts. The Seller will exert best efforts to close under this Agreement immediately after the SPA Settlement if the conditions to Closing under Sections 6.1, 6.2 and 6.3 have been fulfilled. Until the Closing, the Seller will use commercially reasonable efforts to cause the shareholders of CTN and the CTN Group to carry on operations of the Stations and keep its books and accounts, records and files in the usual and ordinary manner in which the business of the Stations has been conducted in the past, including, but not limited to, spending amounts on advertising, promotions and marketing of the Stations between the date of this Agreement and the Closing Date, as set forth in the Budget attached hereto as Schedule 4.1 which are comparable to the amounts the CTN Group spent for the comparable period in 1999 and 2000. The Seller shall use commercially reasonable efforts to cause the shareholders of CTN and the CTN Group to operate the Stations in compliance in all material respects with the terms of the Authorizations and all applicable laws, rules and regulations, including, without limitation, FCC rules and regulations.

4.1.2 Current Statements. The Seller shall provide the Buyer with copies of the CTN Group's monthly internal balance sheets and related statements of operations for the monthly accounting periods between the Latest Balance Sheet Date and the Closing Date, by the 15th day of each month for the preceding calendar month, which statements shall present fairly the financial position of the CTN Group and the results of operations for the period indicated, in accordance with GAAP, except for the absence of footnotes. Such monthly statements shall show: (a) the current month's and prior year's actual results for such month and the current month's budget, each by line item, (b) items of non-recurring income and expense separately, and (c) fiscal year end November 30, 2000 and 2001 year-to-date information for each of the foregoing, all of which shall be presented fairly and in accordance with GAAP, except for the absence of footnotes. In addition, the Seller shall provide to the Buyer simultaneously with the delivery of these monthly financial statements, financial information to permit the Buyer to compute readily the income from operations and broadcast cash flow of the Stations for such month and the year-to-date.

4.1.3 Preserve Business. The Seller shall use commercially reasonable efforts to cause the members of the CTN Group and the Shareholders to preserve (a) their business organizations intact, retaining substantially as at present the employees, consultants and agents of the Stations and (b) the goodwill of the Stations and the suppliers, advertisers, customers and others having business relations with the Stations.

4.1.4 Assets in Good Repair. All Tangible Personal Property and Leased Real Property shall be maintained in good operating condition and repair, reasonable wear and tear excepted, and the entity operating the Stations shall maintain adequate and usual supplies of office supplies, spare parts and other materials as have been customarily maintained in the past. The Seller shall use commercially reasonable efforts to cause the members of the CTN Group and the Shareholders to preserve intact the Assets and to maintain in effect the casualty and liability insurance on the Assets heretofore in force.

4.2 Prohibited Actions. Before the Closing Date, the Seller shall use commercially reasonable efforts to cause the CTN Group not to, without the prior written consent of the Buyer:

4.2.1 Sell, lease or transfer or agree to sell, lease or transfer, any Assets except for incidental sales or leases, in the ordinary course of business, of Assets which are being replaced by assets of comparable or superior kind, condition and value;

4.2.2 Except as may be required by applicable law or existing written plans or agreements (which written plans and agreements are included in the Schedules hereto or have otherwise been provided to the Buyer); grant any raises to any of its employees or consultants, establish or modify any severance plan, pay any substantial bonuses, enter into any contract of employment with any employee or employees of the CTN Group, change any benefits to employees or consultants or enter into any independent contractor agreement;

4.2.3 Renew, renegotiate, modify, amend or terminate any existing Contracts, or time sales contract, except in the ordinary course of business;

4.2.4 Enter into, renew or amend any other Contract, including, without limitation, any Affiliation Agreement or Program License Agreement, except as provided in Section 5.4 in the ordinary course of business;

4.2.5 Make any change in the Stations' buildings, leasehold improvements or fixtures except in the ordinary course of business;

4.2.6 Except for the SPA, enter into any contracts with Affiliates of the Shareholders or the Seller with respect to the Stations or the Assets;

4.2.7 Except as set forth on Schedule 4.2, apply to the FCC for any construction permit that would restrict the CTN Group's present operations or make any change in the Stations' buildings, leasehold improvements or fixtures except in the ordinary course of business;

4.2.8 Enter into any barter or trade contract or contracts that are prepaid other than in the ordinary course of business;

4.2.9 Except as specified in Section 4.2.7, make or attempt to make any change in the Authorizations, other than to keep the Authorizations in full force and effect; or

4.2.10 Consent to the execution, placement, creation or amendment of easements, restrictions, rights-of-way or other matters affecting title to the Real Property.

4.3 No Distributions or Payments. CTN shall not make any distributions to its shareholders with respect to stock in CTN of any kind or nature, except it may distribute the Excluded Assets.

4.4 Access to Facilities, Files and Records. At the reasonable request of the Buyer and on reasonable advance notice, Seller shall ensure Buyer's reasonable access to the business of the CTN Group, and the Seller shall, from time to time, promptly give or cause to be given to the officers, employees, accountants, counsel, agents, consultants and representatives of the Buyer full access during normal business hours to: (a) all facilities, properties, accounts, books, deeds, title papers, insurance policies, agreements, contracts, commitments, records and files of every character, including, without limitation, minute books, equipment, machinery, fixtures, furniture, vehicles, notes and accounts payable and receivable relating to the Stations; and (b) all such other information concerning the CTN Group, the Seller, the Stations and the Assets as the Buyer may reasonably request. Any investigation or examination by the Buyer in connection with the foregoing shall not in any way diminish or obviate any representations or warranties of the Seller made in this Agreement, the Exhibits, Schedules and documents delivered pursuant to this Agreement. Any and all information, disclosures, knowledge or facts regarding the CTN Group, the Assets and the Stations and their operations derived from or resulting from the Buyer's acts or conduct (including, without limitation, acts or conduct of the Buyer's officers, employees, accountants, counsel, agents, consultants or representatives, or any of them (collectively, "Representatives")) under the provisions of this Section or otherwise obtained by the Buyer (or its Representatives) pursuant to or in connection with this Agreement, shall be confidential and shall not be divulged, disclosed or communicated to any other person, firm, corporation or entity, except as required by law and to the Buyer's Representatives and their respective attorneys for the purpose of consummating the transactions contemplated by this Agreement and the Buyer shall be responsible for any breach of confidentiality by any such person. The Seller shall cause the CTN Group's accountants and any of their agents in possession of the CTN Group's books and records to cooperate with the Buyer's requests for information pursuant to this Agreement and shall request such accountants to provide the Buyer access to all of the accountants' audit and tax work papers with respect to the CTN Group or the Stations. If this Agreement terminates before Closing, the Buyer shall return promptly any information obtained regarding the Seller, the CTN Group, the Stations or the Assets and the Buyer shall instruct its Representatives also to return any such information.

4.5 Representations and Warranties. The Seller shall give detailed written notice to the Buyer promptly on learning of the occurrence of any event that would cause or constitute a breach, or that would have caused a breach had such event occurred or been known

to the Seller or the Shareholders on or before the date of this Agreement, of any of the Seller's or, if actually known by the Seller, the Shareholders' representations or warranties contained in this Agreement, the SPA or in any Schedule attached hereto or thereto.

4.6 Consents. The Seller shall use commercially reasonable efforts to cause the CTN Group to obtain the consent or approval of any third person required under any Contract listed on the Contract Schedules to assign any such contract from the CTN Group to the Buyer. The Buyer has designated certain of these consents as material to the operations of the Stations as noted in Section 2.12 or by making a notation to the effect on the applicable schedule to the Agreement (a "Material Consent"). The Buyer shall not be obligated to accept the assignment of any Contract or any liability under such Contract for which a Material Consent is not obtained and, if such consent is obtained after the Closing, the Buyer will not be required to assume any liability under such Contract until such consent is obtained and the Buyer is placed in the position it would have been in if the consent had been obtained before the Closing.

4.7 Notice of Proceedings. Upon receipt of notice thereof from the CTN Group, the Shareholders, or elsewhere the Seller will promptly notify the Buyer in writing of: (a) receipt of notice of any order or decree or any complaint praying for an order or decree restraining or enjoining the consummation of this Agreement or the transactions contemplated hereunder; or (b) receipt of any notice from any governmental department, court, agency or commission of its intention (i) to institute an investigation into, or institute a suit or proceeding to restrain or enjoin, the consummation of this Agreement or such transactions, or (ii) to nullify or render ineffective this Agreement or such transactions if consummated.

4.8 Consummation of Agreement. Following the Closing under the SPA, the Seller shall cause the members of the CTN Group to fulfill and perform all conditions and obligations on their parts to be fulfilled and performed under this Agreement and use their best efforts to cause the transactions contemplated by this Agreement to be fully carried out.

4.9 Applications for FCC Consents. As promptly as practicable after the date of this Agreement, and in no event later than three (3) business days after the date hereof, the Seller shall file applications (after receiving the Buyer's portions of such applications pursuant to Section 5.2) (1) with the FCC requesting the FCC's written consent to the assignment of the Authorizations issued by the FCC to the Buyer and to the consummation of the transactions contemplated by this Agreement. The Seller shall, and the Seller shall use commercially reasonable efforts to cause the CTN Group to, take all steps that are proper, necessary or desirable to expedite the preparation of such applications and their prosecution to a favorable conclusion. The Seller shall promptly provide the Buyer with a copy of any pleading, order or other document served on the Seller, the CTN Group or the Shareholders relating to such applications. The Seller shall furnish all information required of it by the FCC and shall be represented (and they shall cause the CTN Group to so furnish and be represented) at all meetings or hearings scheduled to consider such applications which are open to the public. If Closing occurs hereunder without the FCC Order and any required extension of the terms thereof

becoming Final (as defined in Section 1.7), then the Seller's obligations under this Section shall survive the Closing until the FCC Order and all such consents and extensions become Final.

4.10 Title to Real Property. Within thirty (30) days after the date of this Agreement, the Shareholders shall deliver to the Buyer all title policies currently in effect and any existing surveys for all of the Real Property.

4.11 No Liquidation. Following the Closing under the SPA, the Seller shall not cause any of the CTN Group members to terminate their corporate existence, merge or otherwise combine with any entity before the consummation of the transactions contemplated hereunder.

4.12 Maintenance of Indemnification Rights. Seller shall not take any action or fail to act in any manner that would have the effect of waiving, or estop Seller or Buyer from asserting, any of Seller's rights to indemnification under the SPA and shall not act or fail to act in any manner, that would create a right of offset, counterclaim or defense by Shareholders against any indemnification right or claim of Sellers or Buyer.

4.13 KULR and KFBB-TV Agreements. Seller shall use its best efforts to cause the CTN Group to amend the agreement between KULR, LLC and Continental Television Network, Inc. dated as of May 10, 1999 (the "KULR Agreement") to eliminate the right, in any and all cases, of KULR, LLC to purchase the assets or license of Station K47DP (the "KULR Option"). Seller shall use its best efforts to cause the CTN Group to enter into a written lease agreement with KFBB-TV for the Lewistown Translator Site which lease will require a monthly rental amount of not more than \$150 per month during the initial term (the "Base Rental Amount"), which will be at least five years, and which will contain automatic renewal options at the discretion of the CTN Group at a rental amount equal to the Base Rental Amount adjusted for inflation (the "KFBB-TV Agreement").

4.14 DTV Applications. The CTN Group has filed with the FCC and Seller shall use its commercially reasonable efforts to cause the CTN Group to prosecute applications for the Station's digital television construction permits in order to preserve the Station's right to any digital television frequencies allotted to the Stations (and all necessary and appropriate documents with respect thereto) (all such applications and documents, collectively, the "DTV Applications"); provided, however, that the Seller shall consult with Buyer and cause the CTN Group to consult and cooperate with Seller in connection with the prosecution of the DTV Applications. Sellers shall, and Sellers shall cause the CTN Group members, to use there reasonable best efforts to obtain a grant from the FCC of the DTV Applications, and the Seller shall not, and shall cause the CTN Group members to not, modify, dismiss, compromise or otherwise settle any dispute arising with respect to or in connection with the DTV Applications without the prior written consent of Buyer. The fees and expenses relating to obtaining the DTV Applications and the grant thereof prior to the consummation of the Closing shall be paid and borne by Seller or the CTN Group members.

ARTICLE 5

COVENANTS OF THE BUYER PENDING THE CLOSING

The Buyer covenants and agrees that from the date of this Agreement until the completion of the Closing:

5.1 Representations and Warranties. The Buyer shall give detailed written notice to the Seller promptly on learning of the occurrence of any event that would cause or constitute a breach, or would have caused a breach had such event occurred or been known to the Buyer before the date of this Agreement, of any of the representations and warranties of the Buyer contained in this Agreement.

5.2 Consummation of Agreement. Subject to the provisions of Section 10.1 of this Agreement, the Buyer shall fulfill and perform all conditions and obligations on its part to be fulfilled and performed under this Agreement and to cause the transactions contemplated by this Agreement to be fully carried out.

5.3 Notice of Proceedings. The Buyer will promptly notify the Seller in writing on: (a) becoming aware of any order or decree or any complaint praying for an order or decree restraining or enjoining the consummation of this Agreement or the transactions contemplated hereunder; or (b) receiving any notice from any governmental department, court, agency or commission of its intention (i) to institute an investigation into, or institute a suit or proceeding to restrain or enjoin, the consummation of this Agreement or such transactions, or (ii) to nullify or render ineffective this Agreement or such transactions if consummated.

5.4 Contracts Not to be Assumed. From time to time following the date of this Agreement, the Seller may request that the Buyer permit additional Contracts to be added to the Schedules to this Agreement and to be assigned to and assumed by the Buyer at the Closing. These Contracts may be accepted or rejected by the Buyer (except for those entered into in the ordinary course of business pursuant to Section 6.3(e) of the SPA, subject to the limitations set forth in Section 6.3(e) of the SPA) at the Buyer's sole and reasonable discretion. The Buyer must provide the Seller with written notice within five (5) business days after receipt of a written notice from the Seller regarding additional Contracts which are proposed to be added to the Schedules of its election to either accept or reject such Contracts. If the Buyer fails to timely notify the Seller in writing of its election, the Buyer shall be deemed to have made the election to accept the Contract.

5.5 Applications for FCC Consents. As promptly as practicable after the date of this Agreement, and in no event later than ten (10) business days after the date of this Agreement, the Buyer shall complete and deliver to the Seller and the CTN Group a substantially complete application seeking the FCC's written consent to the assignment of the Authorizations to the Buyer and to the consummation of the transactions contemplated by this Agreement. The Buyer shall diligently take all steps that are proper and that are necessary or desirable to expedite

the preparation of such application and its prosecution to a favorable conclusion. The Buyer shall promptly provide the Seller with a copy of any pleading, order or other document served on the Buyer relating to such application. The Buyer shall furnish all information required by the FCC and shall be represented at all meetings or hearings scheduled to consider such application which are open to the public. If Closing occurs hereunder without the FCC Order becoming Final (as defined in Section 6.4), then the Buyer's obligations under this Section 5.5 shall survive the Closing until the FCC Order becomes Final.

5.6 Control of Stations. Between the date hereof and the Closing Date, the Buyer shall not directly or indirectly control, supervise or direct, or attempt to control, supervise or direct, the operations of the Stations; such operations, including complete control and supervision of all programs, employees, financial affairs and Stations policy, shall be the sole responsibility of the CTN Group or the Seller.

ARTICLE 6

CONDITIONS TO THE OBLIGATIONS OF THE SELLER

The obligations of the Seller under this Agreement are, at their option, subject to the fulfillment of the following conditions before or on the Closing Date:

6.1 Representations, Warranties and Covenants.

6.1.1 Representations True. Each of the representations and warranties of the Buyer contained in this Agreement shall have been true and correct as of the date when made and shall be deemed to be made again on and as of the Closing Date and shall then be true and correct in all material respects except to the extent changes are permitted or contemplated pursuant to this Agreement;

6.1.2 Buyer Compliance. The Buyer shall have performed and complied in all material respects with each and every covenant and agreement required by this Agreement to be performed or complied with by it before or on the Closing Date;

6.1.3 Certificate of the Buyer. The Seller shall be furnished with a certificate, dated the Closing Date and duly executed by an officer or manager of the Buyer to the effect that, to the knowledge of the Buyer, the conditions set forth in Sections 6.1.1 and 6.1.2 have been satisfied; and

6.1.4 Other Documents. The Seller shall be furnished with such certified resolutions, certificates, documents or instruments with respect to the Buyer as the Seller may have reasonably requested before the Closing to carry out the intent and purposes of this Agreement.

6.2 Proceedings.

6.2.1 No Injunction. No party shall be subject to any restraining order or injunction restraining or prohibiting the consummation of the transactions contemplated hereby.

6.2.2 Postponement. In the event such a restraining order or injunction is in effect, this Agreement may not be terminated by the Seller pursuant to this Section 6.2 before the Final Closing Date (as described in Article 10 hereof) but the Closing shall be delayed during such period. This Agreement may be terminated after such date if such restraining order or injunction remains in effect.

6.3 Deliveries. The Buyer shall have complied with each and every one of its obligations set forth in Section 8.2.

6.4 Authorizations. The FCC Order shall have been granted, shall be effective and shall have become Final.

6.5 Other Consents. The Buyer shall have obtained all consents, approvals and waivers of other persons or parties as may be required for the consummation of the transactions contemplated by this Agreement. NBC shall have consented to the assignment of the NBC Affiliation Agreements to the Buyer and new ABC Affiliation Agreements shall have been entered into by ABC and Buyer, without residual liability to the Seller or Buyer shall have waived the assignment of the NBC Affiliation Agreement and the consummation of new ABC Affiliation Agreements.

6.6 Settlement Under the SPA. The SPA Settlement shall have occurred. The Seller shall use its best efforts to cause such settlement to occur if all of the conditions to its obligation to close under the SPA have been satisfied.

6.7 Opinion of Counsel. The Seller shall have received an opinion of counsel for the Buyer dated the Closing Date, in form and substance similar to the form attached hereto as Exhibit G and an opinion from Buyer's FCC counsel, in form and substance reasonably acceptable to Seller.

6.8 Real Estate Closing. The closing under that certain Real Estate Purchase Agreement of even date herewith by and between Buyer and Continental Development, Inc. ("Real Estate Purchase Agreement") shall have occurred.

6.9 Donohue Agreement. The closing under the Donohue Agreement shall have occurred.

ARTICLE 7

CONDITIONS TO THE OBLIGATIONS OF THE BUYER

The obligations of the Buyer under this Agreement are, at their option, subject to the fulfillment of the following conditions before or on the Closing Date:

7.1 Representations, Warranties and Covenants.

7.1.1 Representations True. Each of the representations and warranties of the Seller contained in this Agreement and each of the representations and warranties made by the Shareholders in the SPA, other than the representations set forth in Section 4.30(a)(i), shall have been true and correct as of the date when made; and each of such representations and warranties shall be deemed to be made again on and as of the Closing Date and shall then be true and correct in all material respects except to the extent changes are permitted or contemplated pursuant to this Agreement;

7.1.2 Seller's Performance. The Seller shall have performed and complied in all material respects with each and every covenant and agreement required by this Agreement to be performed or complied with by it before or on the Closing Date. Where the Seller is required to exert commercially reasonable efforts to take action to cause the Shareholders or the CTN Group to act or refrain from acting in a certain manner, it shall have so acted. The members of the CTN Group or the Shareholders, as applicable, shall have performed and complied in all material respects with each and every covenant and agreement required by the SPA to be performed or complied with by them before or on the settlement date thereunder. The Seller shall provide Buyer with all information, notices, documents, and requests for consent received from any member of the CTN Group or Shareholders within forty-eight (48) hours of Seller's receipt of same. Seller shall not waive any right or any default by any Shareholder or any member of the CTN Group under the SPA or consent to any action or inaction of any Shareholder or any member of the CTN Group without Buyer's written approval;

7.1.3 Seller's Certificates. The Seller shall have furnished the Buyer with certificates, dated the Closing Date and duly executed by the President of the Seller, to the effect that the conditions set forth in Sections 7.1.1 and 7.1.2 have been satisfied; and

7.1.4 Other Documents. The Buyer shall be furnished with such certified resolutions, certificates, documents or instruments with respect to the Seller and the Shareholders as the Buyer may have reasonably requested before the Closing to carry out the intent and purposes of this Agreement.

7.2 Proceedings.

7.2.1 No Injunction. No party shall be subject to any restraining order or injunction restraining or prohibiting the consummation of the transactions contemplated hereby.

7.2.2 Postponement. If such a restraining order or injunction is in effect, then this Agreement may not be terminated by the Buyer pursuant to this Section 7.1.4 before the Final Closing Date, but the Closing shall be delayed during such period. This Agreement may be terminated after such date if such restraining order or injunction remains in effect.

7.3 Liens Released. All Security Interests pertaining to the Assets shall be released of record and there shall be no liens in respect of the Assets, except Permitted Encumbrances, those which will arise as a result of the Buyer's actions in the consummation of the Closing and those in favor of the Buyer.

7.4 Deliveries. The Seller shall have complied with each and every one of their respective obligations set forth in Section 8.1.

7.5 Opinions of Counsel. The Buyer shall have received an opinion of counsel from Seller's FCC and corporate counsel, dated the Closing Date, in form and substance reasonably acceptable to the Buyer.

7.6 Other Consents. The Buyer and the Seller shall have obtained all Material Consents, including, without limitation, all approvals and waivers of governmental agencies as are required for the consummation of the transactions contemplated by this Agreement, without any change in the terms thereof, except these approved by the Buyer in writing. Except as set forth on Schedule 7.6, the Affiliation Agreements, the Stations' current National Sales Representation Agreements with Blair Television and the Stations' current agreements with Nielsen Media Research, Inc. ("Nielsen") shall be in full force and effect, no party to any such agreement shall be in default thereof and NBC shall have consented to the assignment of the NBC Affiliation Agreement to the Buyer and ABC and the Buyer shall have agreed to enter into new ABC Affiliation Agreements substantially in the form of the proposed Affiliation Agreements attached hereto as Exhibits H and I (the "Proposed Affiliation Agreements"), without a decrease in station compensation or remaining term and without any other material change from the existing NBC Affiliation Agreement and the Proposed Affiliation Agreements, as the case may be, except those approved by the Buyer in writing, and if required, Buyer shall have received the consent of Blair Television and Nielsen to the assignment of the existing National Sales Representation Agreements and Station Index Service Agreements to Buyer on terms no less favorable than those currently in place.

7.7 Revised Schedules. The Seller shall have delivered to the Buyer such revised forms of each of the Schedules or updated information for addition to or inclusion in the Schedules as are necessary to reflect changes in such Schedules as of the Closing Date; provided, however, that, except for changes that are permitted by the terms of this Agreement, no change in any Schedule will be binding on the Buyer without its prior written consent, which consent may be withheld by the Buyer for any or no reason. The Buyer agrees to use its best efforts to notify the Seller of the acceptance of any revised Schedule and all supporting documentation within five (5) business days of delivery to the Buyer of a revised Schedule. The failure of the Buyer to notify the Seller and the Shareholders of its refusal to consent to a revised Schedule shall be deemed to be an

acceptance by the Buyer of such revised Schedule. Notwithstanding the Buyer's failure to accept a revised Schedule, such a revised Schedule shall be deemed accepted by the Buyer if Closing occurs.

7.8 No Material Change in the Station or Assets. There shall not have been a material adverse change in the CTN Group, the Stations or Assets nor shall there have been an uncured or continuing material default by the CTN Group under any material Contract. Further, between the date of November 30, 1999 and the Closing Date, there shall not have been any occurrence that has caused the advertising revenues or EBITDA from business operations, excluding Extraordinary Items (defined below), of the Stations, on a consolidated basis, to be reduced by five percent (5%) or more for the most recent twelve (12) months then ended compared to the twelve (12) months ending November 30, 1999, all determined in accordance with GAAP, consistently applied. Further, there shall be no material casualty to the facilities of the CTN Group or the Stations that is not covered by insurance. "Extraordinary Items" means, to the extent such items are included in the CTN Group's EBITDA, income from insurance proceeds, interest income, income or gain from the sale of Assets and expenses arising from the transactions contemplated by this Agreement, which expenses are not related to the operations of the Stations, including, without limitation, legal, accounting, brokerage and other professional fees.

7.9 Authorizations. The FCC Order with respect to all Authorizations issued by the FCC shall have been granted, shall be effective and shall have become Final.

7.10 Advertising and Promotional Campaigns. The Seller shall cause the CTN Group, while operating the Stations, to continue all advertising and promotional campaigns in the ordinary course of business in amounts comparable with budget amounts and the level of such expenditures over the similar prior period in 1999 and 2000.

7.11 Real Estate Closing. The closing under the Real Estate Purchase Agreement shall have occurred.

7.12 KULR and KFFB-TV Agreements. An amendment to the KULR Agreement shall have been completed eliminating the KULR Option and the KFFB-TV Agreement shall have been executed by the CTN Group and the landlord thereunder.

7.13 Donohue Agreement. The closing under the Donohue Agreement shall have occurred.

ARTICLE 8

ITEMS TO BE DELIVERED AT THE CLOSING

8.1 Deliveries by the Seller. At the Closing, the Seller shall deliver to the Buyer, duly executed by the Seller or such other signatory as may be required by the nature of the document:

8.1.1 Bills of Sale. Bills of sale, certificates of title, endorsements, assignments and other good and sufficient instruments of sale, conveyance, transfer and assignment, in form and substance reasonably satisfactory to the Buyer, sufficient to sell, convey, transfer and assign to the Buyer all right, title and interest of the CTN Group in and to the Assets and to quiet the Buyer's title thereto.

8.1.2 Real Estate Documents. General warranty deeds for the Owned Real Property and: (i) such affidavits as Buyer's title insurance company shall reasonably require to omit from its title insurance policy exceptions for unfilled mechanics' or materialmen's liens or judgments, bankruptcies or returns against persons or entities whose names are the same or similar to the name of the Seller or the CTN Group; (ii) duly executed affidavits complying with all reporting requirements under applicable law to state and local taxing authorities on the sale of real property; (iii) a valid assignment to Buyer of all architectural, site, utility, mechanical and as-built drawings, physical surveys and any soil, environmental or structural reports of or related to the Owned Real Property and all assignable guaranties and warranties issued in connection with the construction, improvement, alteration and repair of the building and improvements on the Owned Real Property and in connection with the purchase and repair of personal property on the Owned Real Property, together with the original of each such guaranty and warranty, to the extent that such documents are presently in the possession or control of Seller, the CTN Group or their agents, attorneys, accountants or other representatives; (iv) original or certified copy of certificates of occupancy, licenses, permits, authorizations and approvals required by law and issued by all governmental authorities having jurisdiction over the Owned Real Property, to the extent that such documents are presently in the possession or control of Seller, the CTN Group or their agents, attorneys, accountants or other representatives; and (v) appropriate authorizing resolutions for Seller and the CTN Group and such other documents as are reasonably requested by Buyer or its counsel.

8.1.3 Board Resolutions. Certified copies of resolutions, duly adopted by the Board of Directors of Seller, and if required by applicable law, the sole shareholder of Seller, which shall be in full force and effect at the time of the Closing, authorizing the execution, delivery and performance by the Seller of this Agreement and the consummation of the transactions contemplated hereby;

8.1.4 Officer's Certificate. The certificate referred to in Section 7.1.2;

8.1.5 Opinions. The opinions of counsel referred to in Section 7.5;

8.1.6 Noncompetition Agreements. An assignment of the Noncompetition Agreements;

8.1.7 Estoppel Certificates. Landlords estoppel certificates, consents and waivers concerning the Leased Real Property in form and substance satisfactory to the Buyer;

8.1.8 Assumed Liabilities Schedule. A schedule of the Assumed Liabilities as of two (2) days before the Closing Date and consents to the assignment of Material Contracts to the Buyer in form and content satisfactory to the Buyer;

8.1.9 Accounts Receivable. Within ten (10) days after the Closing Date, the Seller shall give the Buyer a schedule similar to Schedule 1.1.1 identifying the Receivables of the CTN Group at the Closing Date; and

8.1.10 Assignment and Consent Agreement. The Assignment and Consent Agreement referred to in Sections 1.1.15, 1.1.16 and 9.8.

8.2 Deliveries by the Buyer. At the Closing, the Buyer shall deliver to the Seller, duly executed by the Buyer or such other signatory as may be required by the nature of the document:

8.2.1 Purchase Price. The Purchase Price, which shall be paid in the manner specified in Section 1.5;

8.2.2 Assumption Agreements. An instrument or instruments of assumption of the Affiliation Agreements, Program License Agreements, the Contracts and Real Property Leases to be assumed by the Buyer pursuant to this Agreement, in form and substance satisfactory to the Seller;

8.2.3 Resolutions. Certified copies of resolutions, duly adopted by the Managers of the Buyer, which shall be in full force and effect at the time of the Closing, authorizing the execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby by the Buyer;

8.2.4 Officers' Certificate. The certificates referred to in Section 6.1.3;

8.2.5 Noncompetition Agreements. The Noncompetition Agreements;

8.2.6 Opinions of Counsel. The opinions of counsel referred to in Section 6.7; and

8.2.7 Assignment and Consent Agreement. The Assignment and Consent Agreement referred to in Sections 1.1.15, 1.1.16 and 9.8.

ARTICLE 9

SURVIVAL; INDEMNIFICATION; EMPLOYEES

9.1 Survival. All representations, warranties, covenants and agreements contained in this Agreement, or in any Exhibit, Schedule, certificate, agreement or statement delivered pursuant hereto, shall survive the Closing, any investigation conducted by any party hereto and any information which any party may receive, until eighteen (18) months after the Closing Date whereupon all such representations, warranties, covenants and agreements shall expire and terminate and shall be of no further force or effect; provided, however, any Deficiency with respect to a Tax matter may be asserted at any time on or before the expiration of the limitations period under applicable law and if a Deficiency (as defined in Section 9.3) is asserted by either party before the expiration of the survival or limitations period, such asserted Deficiency shall survive until the existence of such Deficiency has been finally established and the Deficiency is resolved as provided below.

9.2 Basic Provision.

9.2.1 Buyer Indemnitees. The Seller (an "Indemnifying Party") hereby agrees to indemnify and hold harmless the Buyer, its members, managers, directors, officers, agents and employees and all persons which directly or indirectly, through one or more intermediaries, control, are controlled by, or are under common control with the Buyer, and its successors and assigns (collectively, the "Buyer Indemnitees") from, against and in respect of, and to reimburse the Buyer Indemnitees for the amount of any and all Deficiencies (as defined in Section 9.3.1).

9.2.2 Seller Indemnitees. The Buyer ("Indemnifying Party"), hereby agrees to indemnify and hold harmless the Seller and its shareholders, directors, officers, agents, employees and all persons which directly or indirectly, through one or more intermediaries, control, are controlled by, or are under common control with the Seller, and its successors and assigns (collectively, the "Seller Indemnitees") from, against and in respect of, and to reimburse the Seller Indemnitees for the amount of any and all Deficiencies (as defined in Section 9.3.2).

9.3 Definition of "Deficiencies".

9.3.1 Deficiencies for the Buyer. As used in this Article 9, the term "Deficiencies" when asserted by the Buyer Indemnitees or arising out of a third party claim against the Buyer Indemnitees shall mean any and all losses, fines, damages, liabilities and claims sustained by the Buyer Indemnitees and arising out of, based on or resulting from:

9.3.1.1 Any misrepresentation, breach of warranty or any non-fulfillment of any representation, warranty, covenant, obligation or agreement on the part of the Seller or the Shareholders contained in or made in this Agreement or in an Exhibit, Schedule, certificate, agreement or statement delivered pursuant to this Agreement;

9.3.1.2 Any failure by the Seller or the CTN Group to pay or discharge any Excluded Liability or any other liability of the Seller, the CTN Group and the Seller Indemnitees, direct or contingent, that is not expressly assumed by the Buyer pursuant to the provisions of this Agreement;

9.3.1.3 Any litigation, proceeding or claim by any third party to the extent relating to the business or operations of the Seller, the CTN Group or the Stations before the Effective Time, other than with respect to the Assumed Liabilities;

9.3.1.4 Any severance pay or other payment required to be paid by the CTN Group with respect to any employee or consultant of the CTN Group terminated by the CTN Group on or before the Effective Time; and

9.3.1.5 Any and all acts, suits, proceedings, demands, assessments and judgments and all reasonable fees, costs and expenses of any kind, related or incident to any of the foregoing (including, without limitation, any and all Legal Expenses (as defined below)).

9.3.2 Deficiencies for the Seller. As used in this Article 9, the term "Deficiencies" when asserted by the Seller Indemnitees or arising out of a third party claim against the Seller Indemnitees shall mean any and all losses, damages, liabilities and claims sustained by the Seller Indemnitees and arising out of, based on or resulting from:

9.3.2.1 Any misrepresentation, breach of warranty or any non-fulfillment of any representation, warranty, covenant, obligation or agreement on the part of the Buyer contained in or made in this Agreement or in an Exhibit, Schedule, certificate, statement or agreement delivered pursuant to this Agreement;

9.3.2.2 Any failure by the Buyer to pay or discharge any other liability arising after Closing for any Assumed Liability;

9.3.2.3 Any litigation, proceeding or claim by any third party to the extent relating to the business or operations of the Buyer or the Stations after the Closing Date; and

9.3.2.4 Any and all acts, suits, proceedings, demands, assessments and judgments and all fees, costs and expenses of any kind, related or incident to any of the foregoing (including, without limitation, any and all Legal Expenses (as defined below)).

9.4 Procedures for Establishment of Deficiencies.

9.4.1 Claim Asserted. In the event that any claim shall be asserted by any third party against the Buyer Indemnitees or the Seller Indemnitees (the Buyer Indemnitees or the Seller Indemnitees, as the case may be, hereinafter, the "Indemnitees"), which, if sustained, would

result in a Deficiency, then the Indemnitees, promptly and in all events within fifteen (15) days after learning of such claim, shall notify the Indemnifying Party of such claim and Indemnitees shall permit the Indemnifying Party to defend against such claim, at the Indemnifying Party's sole expense and through legal counsel reasonably acceptable to the Indemnitees, provided that the Indemnifying Party proceeds in good faith, expeditiously and diligently. The Indemnitees shall, at their option and expense, have the right to participate in any defense undertaken by the Indemnifying Party with legal counsel of their own selection and at their expense. The parties will cooperate fully in any such action and shall make available to each other any books or records useful for the defense of such claim. No settlement or compromise of any claim which may result in a Deficiency may be made by the Indemnifying Party without the prior written consent of the Indemnitees unless: (a) before such settlement or compromise, the Indemnifying Party acknowledges in writing its obligation to pay in full the amount of the settlement or compromise and all associated expenses and (b) the Indemnitees are furnished with security reasonably satisfactory to the Indemnitees that the Indemnifying Party will in fact pay such amount and expenses or the Indemnifying Party obtains a release of the Indemnitees from all liability in respect of such claim.

9.4.2 Notice. In the event that the Indemnitees assert the existence of any Deficiency against the Indemnifying Party, such Indemnitee shall give written notice to the Indemnifying Party of the nature and amount of the Deficiency asserted. If the Indemnifying Party within a period of thirty (30) days after the giving of the Indemnitees' notice, shall not give written notice to the Indemnitees announcing its intent to contest such assertion of the Indemnitees (such notice by the Indemnifying Party being hereinafter referred to as the "Contest Notice"), such assertion of the Indemnitees shall be deemed accepted and the amount of the Deficiency shall be deemed established. In the event, however, that a Contest Notice is given to the Indemnitees within such 30-day period, then the contested assertion of a Deficiency shall be judicially resolved.

9.4.3 Agreement. The Indemnitees and the Indemnifying Party may agree in writing, at any time, as to the existence and amount of a Deficiency, and, on the execution of such agreement such Deficiency shall be deemed established.

9.5 Payment of Deficiencies. The Indemnifying Party hereby agrees to pay the amount of established Deficiencies within thirty (30) days after the establishment thereof. The amount of established Deficiencies shall be paid in cash. Any amounts not paid by the Indemnifying Party when due under this Section shall bear interest from and after the due date thereof until the date paid at a rate equal to the lesser of: (a) twelve percent (12%) per annum and (b) the highest legal rate permitted by applicable law. At the option of the Indemnitees, the Indemnitees may offset any Deficiency or any portion thereof that has not been paid by the Indemnifying Party to the Indemnitees against any obligation the Indemnitees, or any other Party to the Indemnitees against any obligation the Indemnitees, or any of them, may have to the Indemnifying Party arising out of a Deficiency established pursuant to Section 9.4 hereof.

9.6 Limitation on Deficiencies. Notwithstanding any other provision of this Agreement, (i) an Indemnifying Party shall not be required to pay any established Deficiency until the aggregate of all established Deficiencies exceeds Twenty-five thousand Dollars (\$25,000) (the "Basket") and then only to the extent that all established Deficiencies exceed the Basket and (ii) the aggregate liability for all established Deficiencies under this Agreement for any Indemnifying Party shall be limited to Nine Million Dollars (\$9,000,000).

9.7 Legal Expenses. As used in this Article 9, the terms "Legal Expenses" shall mean any and all fees (whether of attorneys, accountants or other professionals), costs and expenses of any kind reasonably incurred by any person identified herein and its counsel in investigating, preparing for, defending against, or providing evidence, producing documents or taking other action with respect to any threatened or asserted claim.

9.8 Assignment of Indemnification Claims. At the Closing, the Seller shall assign (i) any existing indemnification claims against the Shareholders under the SPA ("Assigned Claims") (to the extent such Assigned Claims relate to the Assets acquired hereunder) and (ii) certain of its rights to the Holdback Escrow Agreement to the Buyer pursuant to the Assignment and Consent Agreement attached hereto as Exhibit C. The Buyer shall make reasonable efforts to pursue the Assigned Claims against the Shareholders to pay any Deficiencies for which the Seller and the Shareholders are liable hereunder. The parties agree that the Holdback Escrow Agreement shall be a source of payment of the Buyer's claim for deficiencies against the Shareholders or the Seller and that the Escrow Deposit shall be reduced to an amount equal to (i) \$450,000, plus (ii) the dollar amount of any unresolved claims, on the 10th day after the Buyer's receipt of the audit report of the results of operations of the Stations, issued by its independent firm of certified public accountants, for calendar year end December 31, 2001. Buyer shall cause its accountants to complete its audit report of the results of operations of the Stations for the calendar year end December 31, 2001 within ninety (90) days of that tax year end and deliver such report to Seller and the Shareholders within five (5) days of receipt.

ARTICLE 10

MISCELLANEOUS

10.1 Termination of Agreement. This Agreement may be terminated at any time on or before the Closing Date: (a) by the mutual consent of the Seller and the Buyer; (b) by the Buyer as provided in Sections 10.8, 10.9 and 10.13; (c) by the Buyer if, on or before the Final Closing Date, the Seller has not fulfilled the conditions set forth in Section 7.4; (d) by either party hereto if the Closing has not taken place by September 30, 2001 (the "Final Closing Date"); (e) by the Buyer on or after September 30, 2001 if the Seller and the CTN Group have not satisfied the conditions set forth in Article 7 and the Buyer has satisfied or is prepared and able (but for the Seller's and the CTN Group's defaults) to satisfy the conditions of Article 6; (f)

by the Seller on or after September 30, 2001 if the Buyer has not satisfied the conditions set forth in Article 6 and the Seller and the CTN Group have satisfied or are prepared and able (but for Buyer's defaults) to satisfy the conditions of Article 7; (g) by the Seller, if, on or before the Final Closing Date, the Buyer has not fulfilled the conditions set forth in Sections 6.3 and 10.10; or (h) by the Buyer or the Seller upon thirty (30) days advance written notice to the other party if any court, legislative body or governmental entity has taken, or is reasonably expected to take, action that would make the consummation of the transactions contemplated hereby inadvisable or undesirable as determined by the terminating party in its sole discretion reasonably exercised; provided, however, the party terminating the Agreement shall pay the reasonable, documented, out-of-pocket expenses of the other party; including, but not limited to, legal, accounting, consulting and bank fees to the extent incurred in connection with the transactions contemplated herein and further provided that the Earnest Money Escrow Deposit shall be promptly returned to Buyer. A termination pursuant to this Article 10 shall not relieve any party of any liability it would otherwise have for a willful breach of this Agreement. In the event this Agreement is terminated rightfully pursuant to this Article 10, all further obligations of the parties hereunder shall terminate, except that all obligations for confidentiality under Section 4.4 shall survive such termination for a period of three years. In the event of a termination pursuant to this Section 10.1(a), (b), (c), (d), (e) or (h) above, the Earnest Money Escrow Deposit shall be returned to the Buyer. If the Buyer breaches its obligations hereunder or terminates the Agreement for any reason other than in accordance with Section 10.1 (a), (b), (c), (d), (e) or (h), or Section 10.9 or 10.10, then the Earnest Money Escrow Deposit shall be delivered to the Seller. Any interest accrued on the Earnest Money Escrow Deposit shall be delivered to the Buyer.

10.2 Liabilities on Termination or Breach. The parties acknowledge that the operation of the Stations is of a special, unique and extraordinary character. In the event of a material breach by the Seller of its obligation to effect the Closing hereunder, if the Buyer has satisfied the conditions set forth in Article 6 and is not otherwise in default hereunder, then the Buyer shall be entitled to an injunction to enforce this Agreement by a decree or decrees of specific performance requiring the Seller to close if the Seller owns the Assets or the stock of the members of the CTN Group. In the event of a material breach by the Buyer of its obligation to effect the Closing hereunder if (i) the Seller has satisfied the conditions set forth in Article 7, (ii) in those cases in which Seller is required to use commercially reasonable efforts or take action to cause the Shareholders or the CTN Group to act or refrain from acting in a certain manner, the Seller shall have so acted, and (iii) the Seller is not otherwise in default hereunder, then the Seller shall be entitled to an injunction restraining any such breach or threatened breach or to enforce this Agreement by a decree or decrees of specific performance requiring the Buyer to fulfill its obligation under this Agreement.

10.3 Expenses. Each party hereto shall bear all of its expenses incurred in connection with the transactions contemplated by this Agreement including, without limitation, accounting and legal fees incurred in connection herewith; provided, however, the Buyer and Seller shall equally share the filing fees with the FCC and any sales or transfer taxes arising from the transfer of the Assets to the Buyer.

10.4 Remedies Cumulative. The remedies provided in this Agreement shall be cumulative and shall not preclude the assertion by any party hereto of any other rights or the seeking of any other remedies against the other party hereto.

10.5 Preservation of Records. The Buyer will preserve and make available (including the right to inspect and copy) to the Seller, its attorneys and accountants, for five (5) years after the Closing Date and during normal business hours, such of the books, records, files, correspondence, memoranda and other documents transferred pursuant to this Agreement as the Seller may reasonably require in connection with any legitimate purpose, including, but not limited to, the preparation of tax reports and returns and the preparation of financial statements. During the five-year period, the Buyer will not dispose of or destroy any such books, records, files, correspondence, memoranda or other documents without giving thirty (30) days' prior written notice to the Seller, to permit the Seller, at their expense, to examine, duplicate or take possession of all or part thereof.

10.6 Non-Assignable Contracts. Nothing contained in this Agreement shall be construed as an assignment or an attempted assignment of any Contract which is by law non-assignable without the consent of the other party or parties thereto, unless such consent shall be given. The Seller shall use commercially reasonable efforts to cause the CTN Group to (and the Buyer shall assist the Seller and the CTN Group) both after and prior to the Closing to obtain such consents to the assignment or transfer of Contracts to vest in the Buyer all of the CTN Group's right, title and interest in such Contracts, in all cases in which such consent is required for assignment or transfer. If such consent is not obtained, the Seller shall use commercially reasonable efforts to cause the CTN Group to cooperate with the Buyer in any arrangements necessary or desirable, on commercially reasonable terms, to provide for the Buyer any benefits and to have the Buyer assume the burdens arising after the Closing thereunder, including, without limitation, enforcement for the benefit of the Buyer, and assumption by the Buyer of the costs of enforcing, any and all rights of the Seller and the CTN Group thereunder against the other party thereto arising out of the cancellation thereof by such other party or otherwise.

10.7 Further Assurances. From time to time before, on and after the Closing Date, each party hereto will execute all such instruments and take all such actions as any other party, being advised by counsel, shall reasonably request, without payment of further consideration, in connection with carrying out and effectuating the intent and purpose hereof and all transactions and things contemplated by this Agreement including, without limitation, the execution and delivery of any and all confirmatory and other instruments in addition to those to be delivered on the Closing Date, and any and all actions which may reasonably be necessary or desirable to complete the transactions contemplated hereby. The parties shall cooperate fully with each other and with their respective counsel and accountants in connection with any steps required to be taken as part of their respective obligations under this Agreement.

10.8 Risk of Loss. The risk of loss, damage or destruction to any of the Assets from fire or other casualty or cause shall be borne by the CTN Group at all times prior to the

Closing. In the event of any such loss, damage or destruction, the proceeds of any claim for any loss, payable under any insurance policy with respect thereto, shall be used to repair, replace or restore any such property to its former condition, subject to the conditions stated below. It is expressly understood and agreed that, in the event of any loss or damage to any of the Assets from fire, casualty or other causes before the Closing, the Seller shall notify the Buyer of same in writing immediately. Such notice shall specify with particularity the loss or damage incurred, the cause thereof (if known or reasonably ascertainable) and the insurance coverage. In the event that the damaged property is not completely repaired, replaced or restored on or before the Closing Date, the Buyer at its sole option: (a) may elect to postpone Closing until such time as the property has been completely repaired, replaced or restored to the reasonable satisfaction of the Buyer if the repair, replacement or restoration can be accomplished within one (1) month following the date of the loss or damage or the Final Closing Date, whichever is the earlier and (b) may elect to consummate the Closing and accept the property in its then condition, in which event the Seller shall pay to the Buyer all proceeds of insurance and assign to the Buyer the right to any unpaid proceeds; or (c) terminate this Agreement without liability to any party.

10.9 Broadcast Transmission Interruption. If before the Closing, the regular broadcast transmission of any of the Stations in the normal and usual manner is interrupted for a period of twenty-four (24) continuous hours or more solely as a result of actions of, or the failure to act by, the CTN Group or the Seller, then the Seller shall give prompt written notice thereof to the Buyer. The Buyer shall then have the right by giving written notice to the Seller, to postpone (and if necessary repostpone) the Closing to a date that is fifteen (15) days after the end of any such interruption. If, solely as a result of actions of, or the failure to act by, the Seller or the CTN Group the regular broadcast transmission of any of the Stations in the normal and usual manner is interrupted for a continuous period of seventy-two (72) hours or more at any time before Closing Date or, if at the Closing Date, the regular transmission of the Station is interrupted and cannot be reestablished within seventy-two (72) hours, then (a) the Seller immediately shall give written notice thereof to the Buyer; and (b) the Buyer shall have the right, by giving written notice to the Seller, to (i) within three (3) business days after receiving notice from the Seller of such interruption, to terminate this Agreement without liability to the Seller or the Buyer, in which event the Earnest Money Escrow Deposit shall promptly be returned to the Buyer or its designee, or (ii) postpone the Closing as provided above.

10.10 Affiliation Agreements.

If NBC does not agree to assign its existing Affiliation Agreement with CTN to Buyer or if ABC requires a reduction in network compensation, reduction in remaining term or requires any other material change in the Proposed Affiliation Agreements, which reductions or changes are not approved by Buyer, then Buyer shall have the option of Closing or terminating the transactions contemplated hereby. Before such termination by Buyer, for a period of eleven (11) days after receipt by Seller of notice of Buyer's intent to terminate ("Intent Notice"), Buyer and Seller shall attempt, in good faith, to agree upon a revised Purchase Price, which will reflect the annualized economic effect of the reduction in network compensation, reduction in term or change in other

material provision in the Proposed Affiliation Agreements, multiplied by 11.8 (eleven and eight-tenths). If Buyer terminates this Agreement pursuant to this Section 10.10, then within sixteen (16) days of Seller's receipt of the Intent Notice, Seller will pay all of the Buyer's reasonable, documented, out-of-pocket expenses, including, but not limited to, legal, accounting, consulting and bank fees to the extent incurred in connection with the Buyer's intended acquisition of the Assets hereunder and the Earnest Money Escrow Deposit shall be promptly returned to the Buyer

10.11 Employees. Except as provided otherwise in this Section 10.11, the Seller shall cause the members of the CTN Group to terminate all of the Stations' employees effective as of the Effective Time and pay all termination and severance costs in connection with such termination. The Buyer presently intends to offer employment to all of the employees of the Stations that are listed on Schedule 2.18.1 ("Assumed Employees") beginning at the Effective Time. The Seller acknowledges and agrees that the foregoing representation by the Buyer does not require the Buyer to continue to employ any such Assumed Employee for any specific periods of time after the Effective Time. The Buyer will not give the Stations' employees who are employed by the Buyer credit for accrued vacation and sick leave unless the costs thereof are paid by the Seller to the Buyer before or on the Closing.

10.12 Receivables. The Buyer will use commercially reasonable efforts, without out-of-pocket payments to attorneys, collection agents, court costs and the like, to collect the Receivables for 120 days after the Closing Date. The Buyer shall remit the proceeds of such collections, less commissions charged by third parties, to the Seller every thirty (30) days and shall assign the unpaid Receivables to the Seller one hundred and twenty (120) days after the Closing Date.

10.13 Bank Commitment. If the Closing has not occurred by February 28, 2001 or such later date, if any, agreed to by Buyer and its lender as the expiration of the lender's commitment to finance Buyer's purchase of the Assets, then Buyer may terminate this Agreement pursuant to Section 10.1(b) and the Escrow Earnest Money Deposit shall be promptly returned to Buyer or its designee. Buyer shall use commercially reasonable efforts to extend the loan commitment beyond February 28, 2001.

ARTICLE 11

GENERAL PROVISIONS

11.1 Successors and Assigns. Except as otherwise expressly provided herein, this Agreement shall be binding on and inure to the benefit of the parties hereto, and their respective representatives, successors and assigns. Neither the Seller nor the Buyer may assign any of their rights or delegate any of their duties hereunder without the prior written consent of the other party.